GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:591
ANSWERED ON:23.02.2001
NEGOTIATIONS WITH WTO ON AGRICULTURE
ASHOK NAMDEORAO MOHOL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have prepared a proposal for negotiations with the WTO under the agreement on agriculture;

(b) if so, the details of the proposal;

(c) whether the Cabinet Committee on WTO Matters has approved the proposal; and

(d) if so, the other issues likely to be put for discussion at WTO by India?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (d): Yes, Sir. India has submitted its negotiating proposals to the World Trade Organisation (WTO) for the mandated negotiations under the Agreement on Agriculture (AoA) in the areas of market access, domestic support, export competition and food security with the objective of protecting its food and livelihood security and creating increased market access opportunities with a view to promote agricultural exports. These proposals have been approved by the Cabinet Committee on WTO Matters.

India may consider submitting additional proposals including by way of clarifications or expansion of existing proposals or new issues, depending on the developments in the on-going negotiations in the WTO Committee on Agriculture.

The salient features of the Indian proposals are:

- Additional flexibility for providing subsidies to key farm inputs for agricultural and rural development.

- Clarifications on certain implementation issues, such as offsetting of positive non-product specific support with negative product specific support, suitable methodology of notifying domestic support in stable currency to take care of inflation and depreciation.

- Maintenance of appropriate level of tariff bindings on agricultural products in developing countries, keeping in mind their developmental needs and high distortions prevalent in the international markets with a view to protect livelihood of their farming population. Also linking the appropriate levels of tariffs in developing countries with trade distortions in the areas of market access, domestic support and export competition.

- Rationalisation of low tariff bindings in developing countries, which could not be rationalised in the earlier negotiations.

- Separate safeguard mechanisms on the lines of Special Safeguard Clause including a provision for imposition of Quantitative Restrictions to protect the interests of the domestic producers in the event of a surge in imports or a decline in international prices, as a Special and Differential measure.

- No minimum market access commitments for developing countries.

- Measures taken by developing country members for alleviation of poverty, rural development, rural employment and diversification of agriculture should be exempt from any reduction commitments.

- Rationalisation of product coverage of Agreement on Agriculture (AoA) by inclusion of certain primary agricultural commodities such as rubber, jute, coir etc.

- Product specific support given to low income and resource poor farmers should also be excluded from the Aggregate Measurement of Support (AMS).

- Flexibility enjoyed by developing countries in taking certain measures in accordance with other WTO covered Agreements should not get constrained by the provisions of AoA.

- Substantial reduction in tariff bindings including elimination of peak tariffs and tariff escalation in developed countries.

- Expansion and transparent administration of Tariff Rate Quotas pending their eventual abolition

- Blue box measures, de-coupled & direct payments, as well as Government financial participation in income insurance and income safety-net programmes in Green Box to be included in the Amber Box to be subjected to reduction commitments.

- Accelerated reduction in AMS so as to bring it below de minimis by the developed countries in 3 years and by the developing countries in 5 years.

- Elimination through accelerated reduction in export subsidies and disciplining of all other forms of export subsidisation such as export credits, export insurance and export guarantees etc.

- Abolition of Peace Clause for developed countries.